

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

First-Class Package Service (FCPS)
Service Standard Changes, 2021

Docket No. N2021-2

PUBLIC REPRESENTATIVE'S FIRST SET
OF INTERROGATORIES AND REQUESTS FOR PRODUCTION TO
UNITED STATES POSTAL SERVICE WITNESS STEPHEN B. HAGENSTEIN
(PR/USPS-T-1)

(July 8, 2021)

Pursuant to 39 C.F.R. §§ 3020.117 and 3020.118, the Public Representative hereby submits the following interrogatories and requests for production of documents. Please refer to the replacement testimony of Witness Stephen B. Hagenstein.¹

The Public Representative encourages the Postal Service to discuss issues of burden, privilege, relevance, or questions of clarity informally to obviate the need for objections or motions practice.

Respectfully Submitted,
/s/ Mallory L. Smith
Public Representative for
Docket No. N2021-2

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¹ See Notice of Filing Replacement Direct Testimony of Stephen B. Hagenstein on Behalf of the United States Postal Service (USPS-T-1), June 21, 2021.

1. Please refer to USPS-T-1, at 2, lines 20-22. Witness Hagenstein states that “[w]hile some surface transportation schedule changes would be necessary, current average utilization of surface transportation capacity is approximately 42 percent.”
 - a. If possible, please provide a percentage breakdown of current utilization by competitive products, including First-Class Package Service.
 - b. If possible, please provide a percentage breakdown of expected utilization by competitive products, including First-Class Package Service.
2. Please refer to USPS-T-1, at 4, lines 3-7. Witness Hagenstein states that “[r]educing First-Class Mail and Packages from the air network will also result in a reduction of costly ad hoc charter flights currently utilized to help cover capacity shortfalls in the current air network. An estimated 14 to 48 percent reduction in the number of air charters may be possible depending on the final volume of the lanes identified to shift from air to surface transportation.”
 - a. Please provide data on air and surface costs for First-Class Package Service for Fiscal Years (FYs) 2017 through 2020.
 - b. Please provide data on First-Class Package Service pounds flown for FYs 2017 through 2020.
 - c. Please provide data on air charters for FYs 2017 through 2020.
 - d. What percent of First-Class Package Service is currently included in chartered flights?
 - e. What percent of First-Class Package Service is anticipated to be included in chartered flights under the proposed service standard changes?
3. Please refer to USPS-T-1, at 14, lines 9-12. Witness Hagenstein states that “[i]f the volume of mail and/or packages on a particular lane is insufficient to justify the cost of surface transportation, or if surface transportation is too time-

consuming to permit the Postal Service to meet applicable service standards, then the Postal Service transports that volume by air.”

- a. Please identify instances or specific lane(s) where the volume of mail or packages were insufficient to justify the cost of surface transportation and the Postal Service had used air transportation.
 - b. Please confirm whether performance targets were achieved in the lane(s) identified in question 3.a. when changes were made from surface to air.
 - c. If question 3.b. is not confirmed, please explain.
 - d. Please confirm whether the above statement will still be applicable under the proposed service standard changes to First-Class Package Service.
 - e. If question 3.d. is not confirmed, please explain.
4. Please refer to USPS-T-1 at 17, lines 14-23 and at 18, lines 1-2, in the section titled “Proposed Mail Processing Changes.”
 - a. What percent of First-Class Package Service will be containerized into pallet boxes and staged for dispatch on surface transportation?
 - b. What percent of First-Class Package Services will be in sacks?
 - c. Please provide data on current and proposed sack handling at destination for First-Class Package Service.
5. Please refer to USPS-T-1 at 22, lines 5-8. Witness Hagenstein states that “[t]his model assumes the average [All Purpose Containers (APC)] would be 75 percent full. Volume requiring more than a 75 percent full APC was rounded to the next highest number of containers. For example, if a lane converts piece volume to 1.2 APCs, this was modeled as 2 APCs.”
 - a. Please explain the rationale for the assumption described above.

- b. Please explain whether any other assumptions were considered, *e.g.* 90 percent full APC.
 - c. Please confirm that the rounding described would not lead to a significant over estimation of the number of APCs.
 - d. If question 5.c. is not confirmed, please explain.
 - e. What are the cost or other implications for an incremental number of containers at 75 percent full compared to a reduced number of containers at 90 percent full?
- 6. Please see Attachment, filed under seal
 - 7. Please see Attachment, filed under seal
 - 8. Please see Attachment, filed under seal